

EXHIBIT L

FOR PASSAGE TO: 

TREASURY DEPARTMENT

SUBJECT: STATUS REPORT OF ALBANIAN TDY TEAM, 5/10/02

1. THE OFAC TDY TEAM IS CONTINUING ITS INVESTIGATION OF SHEIK YASSIN KADI'S ACTIVITIES IN ALBANIA. THUS FAR, THE TEAM IS APPROXIMATELY 50% COMPLETE WITH ITS REVIEW OF THE DOCUMENTS AND HAS COMPLETED ONE INTERVIEW WITH A FORMER KARAVAN ACCOUNTANT. ALTHOUGH NO EVIDENCE DIRECTLY TYING KADI TO TERRORIST GROUPS HAS BEEN FOUND, A NUMBER OF SUSPECT RELATIONSHIPS AND TRANSACTIONS HAVE EMERGED.

2. THE MOST PROMISING MATERIAL FROM OUR OPTIC IS THAT WHICH CONNECTS KADI WITH WAEL JELAIDAN, A SUSPECTED UBL LOGISTICS CHIEF IN EUROPE. KEY DOCUMENTS UNCOVERED BEARING JELAIDAN'S NAME INCLUDE:

A. A FAX FROM ABDULFATTAH NASSAR, THE HEAD OF THE CENTRAL ACCOUNTING AND FINANCE OFFICE (CAFO; A FINANCIAL UNIT SERVING KADI'S COMPANIES IN ALBANIA WITH BOOKKEEPING AND OTHER FINANCIAL ACTIVITIES), TO KADI. HANDWRITTEN ON THE TOP OF THE PAGE IS THE NOTATION "ATTN: MR. WAEL JELAIDAN CC: MR. MASOOD SYED." THE FAX LAYS OUT FINANCIAL INFORMATION FOR KADI ON THE STATUS OF HIS FINANCIAL DEALINGS WITH EURO INVEST INCLUDING A USD 1 MILLION PAYMENT ON A LOAN; A BALANCE OF DM 3.588 MILLION IN AN ACCOUNT; DM 1.1 MILLION WORTH OF CHARITABLE CONTRIBUTIONS IN BOSNIA IN 1997; USD 200,000 IN CONTRIBUTIONS SPLIT BETWEEN THE RISALA SCHOOL (BOSNIA) AND DR. ABDUL LATIF SALEH; TRADING LOSSES OF DM 3.7 MILLION; RECEIVABLE DEBTS OF 2.3 MILLION; AND REAL ESTATE WORTH DM 1.2 MILLION. THE FAX WAS DATED 3 NOVEMBER 1998.

B. A LETTER TO KADI FROM NASSAR WITH JELAIDAN AND MASOOD SYED CC'ED THAT DISCUSSES ITEMS TO BE DEDUCTED FROM A MORABAHA ACCOUNT AT EURO INVEST INCLUDING DM 74,284 FOR "TAIBAH;" DM 1.09 MILLION FOR CHARITABLE ACTIVITIES IN 1997; USD 100,000 FOR THE RISALA SCHOOL AND 100,000 FOR DR. ABDUL LATIF SALEH-ALBANIA. THE LETTER WAS DATED 29 JUNE 1998.

C. A FAX FROM NASSAR DIRECTLY TO JELAIDAN DISCUSSING THE EFFECTS OF CURRENCY FLUCTUATIONS ON LOANS DENOMINATED IN USD AND BOSNIAN DINARS EXCHANGED INTO DM. THE FAX WAS DATED 23 MAY 1998.

D. A PROPOSAL FROM SOHAIL SIDDIQI TO NASSAR DISCUSSING THE RELOCATION OF STAFF WITHIN KADI GROUP COMPANIES. IN IT, SIDDIQI MENTIONS THAT DEVELOPMENTS WITHIN THE GROUP HAVE TO BE VIEWED IN "LIGHT OF THE DECISIONS MADE BY SH. YASSIN KADI REGARDING THESE COMPANIES, SUCH AS OPENING OF AN ACCOUNT FOR EURO INVEST FOR ALL RECEIPTS TO BE ONLY UTILIZED ON THE INSTRUCTION OF SH. YASSIN KADI OR MR. WA'EL JELAIDAN." THE LETTER IS DATED 15 SEPTEMBER 1998.

E. A LETTER FROM NASSAR TO KADI WITH JELAIDAN AND SYED CC'ED IN WHICH NASSAR DISCUSSES HIS INTENTION TO GO TO BOSNIA FOR TWO MONTHS. THE LETTER IS DATED 1 DECEMBER 1998.

F. AN ALBANIAN-LANGUAGE DOCUMENT THAT MAY COME FROM A FIRM CALLED "SEFERI" THAT APPEARS TO BE INVOLVED IN BUILDING AN UNIDENTIFIED STRUCTURE IN SKRAPAR (FOR WHICH KARAVAN RECEIVED PAYMENT). JELAIDAN'S NAME APPEARS AT THE CLOSE OF THE DOCUMENT AS AN "INVESTOR" BUT HIS SIGNATURE IS MISSING. THE DOCUMENT IS DATED 24 OCTOBER 1999 (AFTER HIS EXPLUSION).

G. JELAIDAN'S NAME AND SIGNATURE APPEAR ON AN ARABIC-LANGUAGE DOCUMENT UNDER THE LETTERHEAD OF THE SAUDI JOINT RELIEF COMMITTEE FOR KOSOVA. THE ADDRESS FOR THE MAIN OFFICE OF THIS ORGANIZATION IS THE KARAVAN-BUILT APARTMENT AND OFFICE COMPLEX ON DURRES STREET IN TIRANA. THE SUBJECT AND DATE OF THE DOCUMENT HAVE NOT BEEN TRANSLATED THUS FAR.

3. BACKGROUND: ACCORDING TO A LOCAL CONTACT WHO WAS ONCE A GOVERNMENT MINISTER, JELAIDAN HELD A POSITION AS HEAD OF A COUNCIL (NAME UNKNOWN) THAT COORDINATED THE EFFORTS OF SAUDI NGO'S IN ALBANIA. HE WAS APPOINTED TO THE ROLE IN FEBRUARY 1999 AND HELD IT UNTIL THE ALBANIAN GOVERNMENT DECLARED HIM AN UNDESIRABLE, BARRING HIS RETURN, IN SEPTEMBER 1999. WHILE THE DOCUMENTS LINKING JELAIDAN TO THE SAUDI JOINT RELIEF COMMITTEE (SJRC) HAVE NOT YET BEEN TRANSLATED, THE TEAM HAS BEEN TOLD THAT THE SJRC AND KARAVAN WORKED TOGETHER ON ONE PROJECT TO BUILD A BRIDGE. THE SAME CONTACT INFORMED THE TEAM THAT JELAIDAN, AS HEAD OF THIS SAUDI NGO COUNCIL, WAS EFFECTIVELY IN CHARGE OF THE DISBURSEMENT OF ALL FUNDS BEING PROVIDED BY THE MEMBER NGO'S IN-COUNTRY AS WELL AS THEIR OPERATIONS. HE WAS ALSO A CLOSE CONTACT OF THE LOCAL SAUDI EMBASSY AND MAY HAVE BEEN AN ASSISTANT/CONFIDANT OF THE SAUDI MINISTER OF THE INTERIOR. JELAIDAN ALSO WAS THE INDIVIDUAL WHO HANDLED THE PREPARATIONS FOR THE VISIT OF A SAUDI DELEGATION HEADED BY ARMY CHIEF TURKU BEN FAHD BE JA ALOOD TO REVIEW PROGRESS IN THE CONSTRUCTION/RECONSTRUCTION OF MOSQUES AND SCHOOLS IN 1999. JELAIDAN'S EXPULSION HAS BEEN A LINGERING BONE OF CONTENTION BETWEEN THE SAUDI AND ALBANIAN GOVERNMENTS. END BACKGROUND.

4. NEXT TO JELAIDAN, THE NEXT MOST INTERESTING CONTACT OF KADI'S IS ADBUL LATIF SALEH. SALEH WAS, PRIOR TO HIS DEPORTATION FROM ALBANIA, THE GENERAL MANAGER OF THE KADI COMPANIES IN THIS COUNTRY. IN ONE DOCUMENT HE IS LISTED AS KADI'S AGENT. THERE ARE FAR TOO MANY RECORDS CONTAINING SALEH'S NAME TO LIST IN THIS FORMAT. WE DO KNOW BOTH FROM THE DOCUMENTS AND THE INTERVIEW CONDUCTED YESTERDAY THAT SALEH HAD SIGNATORY ACCESS TO ONE OF KADI'S MAIN BANK ACCOUNTS. FROM THIS ACCOUNT, HE COULD AND DID WITHDRAW LARGE AMOUNTS OF MONEY; ACCORDING TO ONE LEDGER, SALEH WITHDREW USD 650,000 FROM KADI'S ACCOUNT (CONNECTED TO: LOKS-HOLL) IN 4 SEPARATE TRANSACTIONS IN 1996 AND 1997.

5. BACKGROUND: ACCORDING TO THE FORMER HEAD OF KARAVAN'S FINANCE DEPARTMENT, SALEH MOSTLY WORKED WITH SUBCONTRACTORS ON ENGINEERING AND DESIGN. IN ADDITION, SALEH'S WAS THE FIRST SIGNATURE REQUIRED ON ALL CHECKS. OVER TIME, SALEH SPENT MORE OF HIS DAY AWAY FROM THE OFFICE IN ORDER TO WORK ON HIS CHARITY "FLS" (PRESUMABLY FOUNDATION LIFE SCIENCES). THE FORMER FINANCE CHIEF STATED THAT FLS MADE ISLAMIC CALENDARS AND RAN SOME KIND OF TRAINING COURSE. ACCORDING TO THE FORMER GOVERNMENT MINISTER, SALEH WAS ONE OF THE FIRST "ARABS" TO ARRIVE IN ALBANIA AFTER THE FALL OF COMMUNISM AS A REPRESENTATIVE OF THE IIRO. HE ORIGINALLY WAS IN CHARGE OF A MEDICAL CLINIC IN TIRANA WHICH PROVIDED NON-EMERGENCY AID. HE LATER LEFT THE CLINIC TO BECOME THE HEAD OF KARAVAN. END BACKGROUND.

6. IN OTHER AREAS, THE OFAC TEAM IS PURSUING INFORMATION ON THE FINANCES OF THE KADI GROUP, PARTICULARLY HOW IT HANDLED CASH. FROM THE TWO INTERVIEWS CONDUCTED TO DATE, THE STORY HAS BEEN CONSISTENT THAT THE LARGE CASH WITHDRAWALS WERE TO COVER MANY ONGOING EXPENSES SUCH AS PAYMENTS FOR SMALLER CONTRACTORS. FOLLOWUP INTERVIEWS WITH BOTH INDIVIDUALS ARE PLANNED IN WHICH COMPANY RECORDS WILL BE PRESENTED FOR THEIR REVIEW AND EXPLANATION. INTERVIEWS WITH COMPANY MANAGERS AND A FORMER HEAD OF MUWAFaq FOUNDATION ARE ALSO PLANNED FOR NEXT WEEK.

7. THE ARRIVAL OF [REDACTED] WAS WELCOMED BY ALL. WE ARE LOOKING FORWARD TO HIS ASSISTANCE IN ANALYZING THE FINANCIAL RECORDS. DURING THE SECOND INTERVIEW, HE POSED A NUMBER OF COGENT QUESTIONS WHICH HELPED CLARIFY SOME ISSUES. CATALOGUING OF DOCUMENTS AND ENTERING THEM INTO THE EXCEL SPREADSHEET, CREATED BY [REDACTED] CONTINUES. COPYING OF DOCUMENTS ALREADY INDEXED WILL BEGIN

TOMORROW. OFAC OFFICER [REDACTED] WILL CONTINUE TO REVIEW NEW DOCUMENTS
FOR ADDITIONAL LINKAGE INFORMATION.
